

July 26, 2005

RE: Request for Trustee Services for Kentucky State Property and Buildings Commission Revenue Bonds, Project No. 85 and Agency Fund Revenue Bonds, Project No. 86.

The Office of Financial Management ("OFM") of the Finance and Administration Cabinet of the Commonwealth of Kentucky, on behalf of the Kentucky State Property and Buildings Commission (the "Commission"), is inviting proposals from qualified financial institutions to provide professional services of Trustee, Paying Agent and Escrow Trustee, if necessary, for the State Property and Buildings Commission Revenue Bonds, Project No. 85 and Agency Fund Revenue Bonds, Project No. 86 ("Project No. 85 Bonds and Project No. 86 Bonds" and collectively referred to as the "Bonds"). In the event the Bonds are refunded, the Commission at its discretion requires that your firm provide escrow trustee services or appoint the refunding issue Trustee as your agent for no additional charge.

The Project No. 85 and Project 86 Bonds will be issued in a principal amount not to exceed \$250 million and \$6 million, respectively. The Bonds are expected to have a final maturity of no later than **October 1, 2025**. The Bonds are expected to be sold on August 17, 2005 and to close on September 14, 2005. The Bonds will be issued in Book Entry Only form and will be registered in the name of Cede & Co., as a nominee of the Depository Trust Company ("DTC"), New York, New York which will act as securities depository for the bonds. So long as DTC is a registered owner of the bonds, payments of principal and interest will be made directly to DTC.

The Commission will accept responses by facsimile and e-mail (in PDF format only) to this Request for Services, up to but no later than 1:00 p.m. ET on Tuesday, August 2, 2005. Submission of a response must address all of the questions identified on page 4 and requirements of Attachment A, through and including F-3. The fee quotes should be submitted as one-time, up-front payments to include all expenses and charges due at the bond closing. Due to the fact the Project No. 86 Bonds may not be issued, OFM is requesting two separate fee quotes. (Attachments F-1 and F-2)

The Commission anticipates that the Trustee bank(s) will be selected as soon as possible.

Please contact Nora Marshall or Robert Ramsey of this office should you have any questions concerning this proposed financing. We look forward to a response from your firm.

**Request for Trustee Services
For
Kentucky State Property and Buildings Commission
Revenue Bonds, Project No. 85 and
Agency Fund Revenue Bonds, Project No. 86**

GENERAL INFORMATION

Date of Request: July 26, 2005

Purpose: To select a financial institution to provide trustee, paying agent and escrow agent services to the Kentucky State Property and Buildings Commission (the "Commission") for its State Property and Buildings Commission Revenue Bonds, Project No. 85 and Agency Fund Revenue Bonds, Project No. 86 ("Project No. 85 Bonds and Project No. 86 Bonds" and collectively referred to as the "Bonds"). The Project 85 Bonds will be issued in an aggregate principal amount not to exceed \$250 million. The Project No. 86 Bonds will be issued in an amount not to exceed \$6 million.

The Bonds will have a stated final maturity of October 1, 2025 or earlier.

The Project No. 85 Bonds are expected to be issued as callable, fixed-rate serial bonds.

The Project No. 86 Bonds are expected to be issued as serial bonds in the first 10 years and one or more term bonds for years 11-20.

The Bonds are special and limited obligations of the Commission and are secured by revenues to be derived from the rental payments of the Finance and Administration Cabinet to the Commission pursuant to separate, biennially renewable Lease Agreements.

Eligible Institutions: Eligible institutions shall include banks and trust companies chartered by the Commonwealth of Kentucky or federally chartered institutions authorized to conduct business in the Commonwealth with at least seventy-five million dollars (\$75,000,000) in capital and surplus and who have DTC FAST issuing capability.

Description of Services: The bank engaged as Trustee and Paying Agent for the Bonds will be working with: the Commission; OFM; Citigroup Global Markets Inc. as underwriter; Peck Shaffer and Williams LLP as bond counsel; and Frost Brown Todd, LLC as underwriter's counsel. The selected bank will be required to provide services that shall include, but not be limited to, the requirements listed below:

1. As Trustee and Paying Agent, the Commission will require the bank to act as the agent for the safekeeping, completion, authentication, and payment of the Bonds.

2. The Commission will provide collected funds for deposit into the appropriate accounts as required by the indenture and make periodic payments as necessary.
3. Pay on behalf of the Commission, the principal and interest due to the respective bondholders on the maturity date.
4. Provide monthly statements to the Commission on a timely basis.
5. Invest available funds held by the bank as instructed by OFM.
6. **In the event the Bonds are refunded, the Commission at its discretion requires that your firm provide escrow trustee services or appoint the refunding issue Trustee as your agent for no additional charge.**
7. OFM reserves the right to negotiate the refunding trustee engagement.
8. Comply with all requirements of the Trust indenture.
9. Arbitrage rebate calculations are not included in this request for bid.

Issuing Entity: Kentucky State Property and Buildings Commission

Inquiries: Robert Ramsey
Financial Analyst
Commonwealth of Kentucky
Office of Financial Management
702 Capitol Avenue, Suite 261
Frankfort, KY 40601-3453
Phone: (502) 564-2924
Fax: (502) 564-7416
e-mail: Rob.Ramsey@ky.gov

Proposal Due Date: To be considered responsive, written proposals must be delivered by 1:00 p.m. ET, Tuesday, August 2, 2005. Fax and e-mail submissions are acceptable.

Delivery Direction:

One fax or e-mail copy:

Robert Ramsey
Financial Analyst
Commonwealth of Kentucky
Office of Financial Management
702 Capitol Avenue, Suite 261
Frankfort, KY 40601-3453
Phone: (502) 564-2924
Fax: (502) 564-7416
e-mail: Rob.Ramsey@ky.gov

One fax or e-mail copy to:

Kirsten Krug, Vice President
Citigroup Global Markets Inc.
One Liberty Place
1650 Market Street, 45th Floor
Philadelphia, PA 19102
Phone: (215) 854-6036
Fax: (215) 563-7881
kirsten.e.krug@citigroup.com

Evaluation of Proposals:	Proposals will be evaluated by OFM pursuant to the criteria set forth on Attachment G.
Commission Reservation of Rights:	The Commission reserves the right to amend, modify or withdraw this request; to waive or revise any requirements of this request; to require supplemental statements or information from any responding party; to reject any response submitted; to accept or reject any or all responses received with respect to this request; to extend the deadline for submission of responses; to negotiate or hold discussions with any responding party and to cancel, in whole or in part, this request if the Commission deems it to be in its best interest to do so. The Commission may exercise the foregoing rights at any time without notice and without liability to any responding party or other parties for their expenses incurred in the preparation of responses or otherwise. Responses with respect to this request will be prepared at the sole cost and expense of the responding party. The issuance of this request and the submission of a response and/or the acceptance of such response by the Commission does not obligate the Commission in any manner whatsoever. Legal obligations will only arise upon execution of a formal agreement by the Commission and the selected provider.

REQUEST FOR PROPOSAL QUESTIONS

1. Certify that your bank is in compliance with the Commonwealth's campaign finance laws pursuant to KRS 121.015, KRS 121.056, KRS 121.150, KRS 121.310, KRS 121.320, KRS 121.330 and KRS 121A.050. (See Attachment "B".)
2. Certify that your bank is in compliance with and is not prohibited by the Executive Branch Code of Ethics established by KRS 11A.001 through KRS 11A.990 from entering into a contract with the Commonwealth of Kentucky. (See Attachment "C".)
3. Certify that your bank is in compliance with the provisions of KRS 45A.485. (See Attachment "D".)
4. Certify that your bank is not prohibited by KRS 45A.863 from entering into a contract with the Commonwealth of Kentucky. (See Attachment "E".)

NOTE: All sections of the Kentucky Revised Statutes referred to herein may be viewed on the home page of the Kentucky Legislature at the following internet address: <http://www.lrc.ky.gov/>.

5. Certify that all the information provided herein, to the best of your knowledge, is accurate and complete, and that you understand that any misleading or false information may result in disqualification of the bank at the sole discretion of the Commonwealth.
6. Complete Attachments F-1 and F-2 providing the fee quote as well as the additional information requested concerning expenses, ratings, bank contact, etc.
7. Disclose any information about your bank, which presently or with the passage of time could materially impair your bank's ability to provide the level of service required of Trustee, Paying Agent and Escrow Trustee.
8. Please provide an electronic link of your bank's most recent audited annual report.

ATTACHMENT A

Contact Information

Please complete this form and return it with your bid. Thank you for your assistance in helping OFM maintain an accurate database of trustee contacts.

- ☐ The current contact information is accurate and should be used for future mailings.

«Title» «FirstName» «LastName»
«JobTitle»
«Company»
«Address1»
«Address2»
«City», «State» «PostalCode»

- ☐ If there are any changes or additions please include the most current contact, address, phone number, fax number and e-mail address for your institution below.

Name: _____

Address: _____

Phone: _____

Fax: _____

E-mail: _____

ATTACHMENT B

Commonwealth of Kentucky
Finance and Administration Cabinet
Sworn Statement Regarding Campaign Finance Laws
Pursuant to KRS Chapter 121

The undersigned hereby swears or affirms, under penalty prescribed by law or perjury, that neither he/she, individually, nor, to the best of his/her knowledge and belief, the corporation partnership, or other business entity which he/she represents in connection with this procurement, has knowingly violated any provisions of the campaign finance laws of the Commonwealth of Kentucky, pursuant to KRS 121A.050, and that the award of a contract to him/her, individually, or to the corporation, partnership or other business entity which he/she represents, will not violate any of the above-referenced statutes.

Signature

Name

Title

Firm Name

State of _____

County of _____

The foregoing statement was sworn to me this ____ day of ____ 20 ____ by _____

_____.

Notary Public

My commission expires: _____

ATTACHMENT C

Commonwealth of Kentucky
Finance and Administration Cabinet
Sworn Statement Regarding Executive Branch
Code of Ethics
Pursuant to KRS Chapter 11

The undersigned hereby swears or affirms, under penalty prescribed by law or perjury, that neither he/she, individually, nor, to the best of his/her knowledge and belief, the corporation partnership, or other business entity which he/she represents in connection with this procurement, has knowingly violated any provisions of the Executive Branch Code of Ethics of the Commonwealth of Kentucky, pursuant to KRS 11A.001 to KRS 11A.990, and that the award of a contract to him/her, individually, or to the corporation, partnership or other business entity which he/she represents, will not violate any of the above-referenced statutes.

Signature

Name

Title

Firm Name

State of _____

County of _____

The foregoing statement was sworn to me this _____ day of _____ 20 _____ by _____

_____.

Notary Public

My commission expires: _____

ATTACHMENT D

Commonwealth of Kentucky
Finance and Administration Cabinet
Sworn Statement Regarding Violations of
Kentucky Revised Statutes
Pursuant to KRS Chapter 45A.485

KRS 45A.485 states:

- (1) Any state contract awarded under KRS Chapter 45A, 175, 177, 177, or 180 after July 15, 1994, shall require the contractor to:
 - (a) Reveal any final determination of a violation by the contractor within the previous five (5) year period pursuant to KRS Chapters 136, 139, 141, 337, 338, 341, and 342 that apply to the contractor; and
 - (b) Be in a continuous compliance with the provisions of KRS Chapters 136, 139, 141, 337, 338, 341, and 342 that apply to the contractor for the duration of the contract.
- (2) A contractor's failure to reveal a final determination of a violation of KRS Chapters 136, 139, 141, 337, 338, 341, and 342 or to comply with these statutes for the duration of the contract shall be grounds for the Commonwealth's:
 - (a) Cancellation of the contract; and
 - (b) Disqualification of the contractor from eligibility for future state contracts for a period of two (2) years.

The undersigned hereby swears or affirms, under penalty prescribed by law or perjury, that neither he/she, individually, nor, to the best of his/her knowledge and belief, the corporation partnership, or other business entity which he/she represents in connection with this procurement, has knowingly violated any provisions of 45A.863, and that the award of a contract to him/her, individually, or to the corporation, partnership or other business entity which he/she represents, will not violate any of the above-referenced statutes.

Signature

Name

Title

Firm Name

State of _____

County of _____

The foregoing statement was sworn to me this _____ day of _____ 20 _____ by _____.

Notary Public

My commission expires: _____

ATTACHMENT E

Commonwealth of Kentucky
Finance and Administration Cabinet
Sworn Statement Regarding Anti-Nepotism Provisions
Pursuant to KRS Chapter 45A.863

The undersigned hereby swears or affirms, under penalty prescribed by law or perjury, that neither he/she, individually, nor, to the best of his/her knowledge and belief, the corporation partnership, or other business entity which he/she represents in connection with this procurement, has knowingly violated any provisions of KRS Chapter 45A.863, and that the award of a contract to him/her, individually, or to the corporation, partnership or other business entity which he/she represents, will not violate any of the above-referenced statutes.

Signature

Name

Title

Firm Name

State of _____

County of _____

The foregoing statement was sworn to me this _____ day of _____ 20 _____ by _____

_____.

My commission expires: _____

ATTACHMENT F-1
Project No. 85 Bonds
Proposal for Trustee Services

BANK NAME: _____

Please provide a one-time up-front fee quote to include all expenses (including legal fees) and charges, based upon the expected issuance size for Project No. 85 of \$250,000,000. It is anticipated that the Bonds will be issued as insured, callable fixed rate serial bonds to be delivered on or about September 14, 2005. The Project No. 85 Bonds are expected to be dated the date of delivery and have semi-annual interest payments each April 1, and October 1, with annual principal payments each October 1, beginning October 1, 2006 and ending October 1, 2025.

Total One-time Up-Front Fee Proposal \$_____

ATTACHMENT F-2
Project No. 86 Bonds
Proposal for Trustee Services

BANK NAME: _____

Please provide a one-time up-front fee quote to include all expenses (including legal fees) and charges, based upon the expected issuance size for Project No. 86 up to \$6,000,000. It is anticipated that the Bonds will be issued as insured, callable fixed rate securities with one or more term bonds to be delivered on or about September 14, 2005. The Project No. 86 Bonds are expected to be dated the date of delivery and have semi-annual interest payments each April 1, and October 1, with annual principal payments each October 1, beginning October 1, 2006 and ending October 1, 2025.

Total One-time Up-Front Fee Proposal \$_____

ATTACHMENT F-3

Ratings: Provide your bank's short-term and long-term ratings by Standard & Poor's, Moody's and Fitch.

Standard & Poor's _____/_____

Moody's _____/_____

Fitch _____/_____

Personnel: Provide the names of the individuals who will be responsible for the Commission's account and describe their experience in providing similar services to other issuers.

Electronic Capabilities: Indicate your ability to meet service requirements regarding ability to interface with Depository Trust, FAST eligible, electronic transfers, provide the Commission and OFM electronic access to account information, and the ability to communicate with bank personnel electronically.

Reference: Provide three (3) references: names, addresses and phone numbers, of issuers which have issued similar bonds for which the bank has served as Trustee, Tender Agent, and Paying Agent.

ATTACHMENT G
F-1 & F-2
Evaluation Criteria

- | | | |
|----|---|------------|
| 1. | Experience of the Bank and Personnel
(including bank rating) | 50% |
| 2. | Fee Proposal | <u>50%</u> |
| | | 100% |